

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7712

BILL NUMBER: HB 1553

DATE PREPARED: Jan 13, 1999

BILL AMENDED:

SUBJECT: Waiting periods and award reductions.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill eliminates the one week waiting period for unemployment compensation. It eliminates the 25% reduction of unemployment compensation award for disqualifying conditions and failure to find work. It also makes a conforming amendment.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: The elimination of the one week waiting period for unemployment compensation will have an impact on the amount of interest the Unemployment Insurance Benefit Trust Fund can earn since benefits will be paid out one week earlier. Any reduction in interest earned will not have a substantial impact on the fund. The balance of the fund as of December 7, 1998 was \$1.4 billion and the fund earned \$92 million in interest through December 4, 1998.

This bill also eliminates the 25% reduction of unemployment compensation for disqualifying conditions and failure to find work. This provision would increase the amount of unemployment compensation paid to individuals who currently have disqualifying conditions. At this time the fiscal impact is indeterminable but the increase in the expenditures from the Unemployment Insurance Benefit Trust Fund is expected to be minimal. This fiscal impact statement will be updated when more information becomes available.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development.

Local Agencies Affected:

Information Sources: Reginald Wagner, Division of Employment and Training Services, Department of Workforce Development, (317) 232-7678. Charles Mazza, Unemployment Insurance Benefits, Department of Workforce Development, (317) 232-7460. Auditor's Revenue Trial Balance.